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PRESS RELEASE

European leasing industry shows continued growth, albeit at a slower pace

Brussels, 12 November 2019 – Leaseurope, the trade association representing the European leasing and automotive rental industries, has released European leasing market figures for the first semester of 2019, comparing them with the latest annual results for 2018 published earlier this year. These figures show that in 2018 the leasing market expanded in new volumes for the sixth consecutive year and while this trend continued in the first half of 2019, growth happened at a slower pace. It may be an indication that the outlook for the industry remains positive but set to weaken in 2019 as a whole compared to a year ago.

The 2018 Annual Statistical Enquiry¹ shows that total new leasing volumes in Europe reached €386.4 billion in 2018, increasing by 7.7%² compared to 2017. Most of the national markets experienced positive results with about one third enjoying double-digit growth, notably in the Netherlands, Poland, Russia, and Bulgaria.

The automotive sector performed well in 2018, with new leasing volumes for passenger cars rising by 7.2% and for commercial vehicles by 7.9%. The machinery and industrial equipment segment also enjoyed another year of growth, expanding by 9.8%. Likewise, the leasing of computers and business machines increased by 8.4% but, contrary to the other types of equipment mentioned, it saw a performance with more pronounced differences across individual countries. Real estate leasing also experienced some improvement in new volumes, growing by 2.5% in 2018 to reach €14.5 billion.

As the results of the Leaseurope's 2019 Biannual Statistical Survey³ reveal, during the first half of 2019, the upward overall market trend moderated, except for real estate. Total leasing volumes in the first half of 2019 were €183.1 billion, higher by 3.4% than the same period of 2018. Vehicle and equipment leasing expanded by 4.3% and 3.1%, respectively. Real estate leasing experienced a surge of 21.5% in new business volumes in the first half of this year, though with large geographical variations ranging from significant gains in some key markets to double digit drops in new volumes over the same period.

Commenting on the figures, Leaseurope's Senior Adviser in Statistics and Economic Affairs, Jurgita Bucyte said, "It is encouraging that the European leasing market, especially in 2018, benefited from good performance in the major leasing sectors, including automotive, machinery and industrial equipment, as well as computers and business machines, albeit at somewhat slower rates than the previous year. This widespread growth may be explained by business investment becoming more balanced across asset classes for equipment. Total investment has reached pre-crisis long term averages, but ten years of underinvestment left a backlog in terms of capital stocks based on the EIBIS survey⁴. On the back of improved investment, European lessors have observed increasing

¹ Figures are based on the results of the Federation's 2018 Annual Statistical Enquiry of the 33 members in 26 countries reporting leasing data. Please see below for a full list of Leaseurope Member Associations taking part in the survey.

² Growth rates are based on a homogenous sample of Member Associations reporting in relevant periods and are adjusted for exchange rate fluctuations.

³ Figures are based on the results of the Federation's 2019 Biannual Statistical Enquiry of the 31 members in 26 countries reporting leasing data. The activities represented by short term car rental members are not covered by this enquiry.

⁴ EIB Group Survey on Investment and Investment Finance EU Overview 2018

demand for leasing. Leasing volumes outpaced European equipment investment growth by far, which increased by 3.0% in 2018, but is expected to moderate at 1.7% in 2019, according to the European Commission⁵.

Referring to the future outlook, Laimonas Belickas, Chair of Leaseurope's Statistics Committee and Chief Sales Officer UniCredit Leasing Baltic region, adds "I am pleased to see that the European leasing market shows strength in new business. The positive dynamics are however somewhat tempered by the challenge for many lessors to further expand the use of leasing across Europe and to adapt to the increased cost of regulation. Moreover, it is likely that protracted manufacturing weakness, global trade tensions and elevated uncertainty continue to weigh on business investment decisions, despite an extended period of favourable financing conditions. On a positive note, evidence demonstrates that firms, especially SMEs, show an increasing demand for leasing, suggesting that they may invest in new assets, be it for replacement needs or capacity expansion activities. Therefore, lessors should be prepared to seize opportunities in view of a more cautious outlook on the strength of the economy heading into 2020."

Extracts from the 2018 Annual Statistical Survey and the 2019 Biannual Survey are available [here](#).

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About Leaseurope

As a Federation, Leaseurope brings together 45 associations throughout Europe representing either the leasing, long term and/or short term automotive rental industries. The scope of products covered by Leaseurope's members ranges from hire purchase and finance leases to operating leases of all asset types (automotive, equipment and real estate) and also includes the rental of cars, vans and trucks. It is estimated that Leaseurope represents approximately 91% of the European leasing market. More information on Leaseurope at www.leaseurope.org.

The Member Associations taking part in the 2018 Annual and 2019 Biannual Statistical Surveys are: Verband Österreichischer Leasing-Gesellschaften (AT), Association Belge des Entreprises de Leasing (BE), Fédération Belge des Loueurs de Véhicules (BE), Bulgarian Association for Leasing (BG), Schweizerischer Leasingverband (CH), Czech Leasing and Finance Association (CZ), Bundesverband Deutscher Leasing-Unternehmen (DE), Finans og Leasing (DK), Estonian Leasing Association (EE), Asociación Española de Leasing y Renting (ES), Association Espanola de Renting de Vehículos (ES), Association française des Sociétés Financières (FR), Fédération Nationale des

⁵ European Commission, European Economic Forecast: Autumn 2019

Loueurs de Véhicules (FR), Association of Greek Leasing Companies (GR), Hungarian Leasing Association (HU), Associazione Italiana Leasing (IT), Association of Lithuanian Banks (LT), Latvian Lessors Association (LV), Nederlandse Vereniging van Leasemaatschappijen (NL), Vereniging van Nederlandse Autoleasemaatschappijen (NL), Finansieringsselskapenes Forening (NO), Polish Leasing Association (PL), Associação Portuguesa de Leasing, Factoring e Renting (PT), United Leasing Association (RU), AFINA regrouping Finansbolagens Förening and Svenska Bankföreningen (SE), Leasing Committee of the Banking Association of Slovenia (SI), Association of Leasing Companies of the Slovak Republic (SK), Auto Leasing and Rental Companies Association (TR), Turkish Association of Financial Institutions (TR), Ukrainian Union of Lessors (UA), Finance and Leasing Association (UK).

Member Associations taking part in the 2018 Annual Survey only: ANIASA (IT), British Vehicle Rental and Leasing Association (UK).